

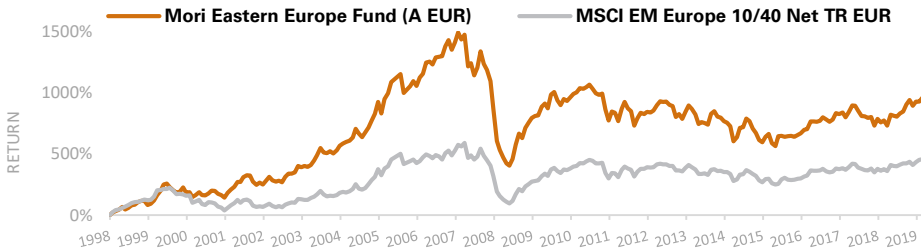
# Mori Eastern European Fund



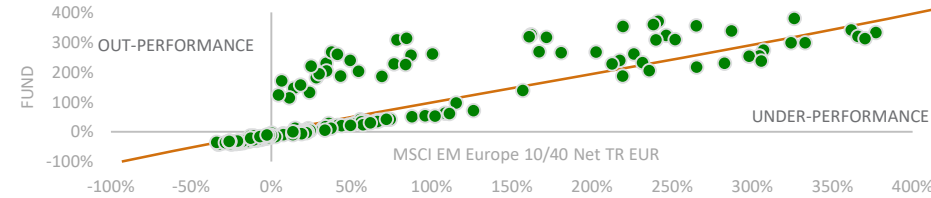
## Fund Objective

The Fund seeks long-term capital appreciation through investments primarily in a portfolio of Eastern European securities. The manager uses a bottom-up approach to incorporate both stock and sector views. The manager's stock-picking style is a combination of proprietary valuation models, target prices, stock market capitalisation, liquidity and his view on the management's quality. Please note that A Euro shares are closed to new subscriptions.

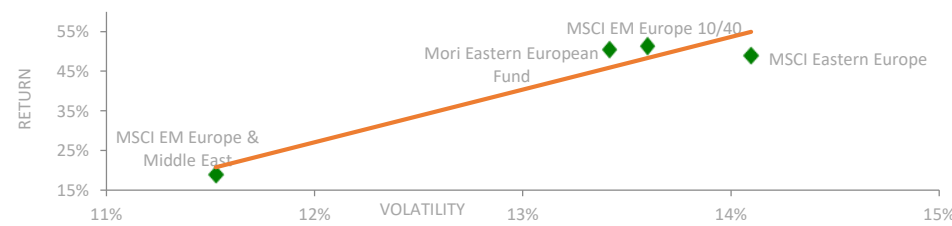
## Historical Performance<sup>1</sup> (Since inception to 31 January 2020, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since inception to 31 January 2020, EUR A-Share Class)



## Return / Volatility<sup>3</sup> (Since launch date to 31 January 2020, EUR M-Share Class)



## Performance<sup>4</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	0.6%	0.6%	21.0%	12.2%	29.9%	50.8%	9.7%	1009.8%
Index	-2.2%	-2.2%	17.2%	14.3%	28.8%	52.1%	35.9%	494.8%

## Portfolio Overview<sup>5</sup> (%)

Country Breakdown	% of Port.	vs. Index
Russia	54.9	-5.5
Turkey	15.9	6.0
Poland	13.0	-3.4
Greece	4.6	-0.9
Czech Republic	3.1	0.6
Ukraine	1.4	1.4
Multinational	1.0	1.0
USA	0.2	0.2
Cash & Equivalents	3.1	3.1

## Sector Breakdown

Sector Breakdown	% of Port.	vs. Index
Financials	26.3	-1.3
Energy	25.1	-13.6
Materials	12.3	-1.0
Industrials	9.0	7.9
Consumer Staples	7.7	1.8
Telecommunications	7.7	3.2
Information Technology	2.5	1.0
Consumer Discretionary	2.2	-1.2
Real Estate	1.7	1.7
Others	2.2	-1.7
Index Derivatives	-2.6	-2.6
Cash & Equivalents	3.1	3.1

## Investment Process

- Bottom-up stock picking
- In-house qualitative and quantitative proprietary valuation database
- Unconstrained, non-benchmark
- Active Beta management (1) Cash management (2) Opportunistic use of futures, options and FX hedging
- Disciplined "sell" process

## Fund Summary

Fund Type	UCITS
Domicile	Dublin
Currency	EUR
Index	MSCI EM Europe 10/40 Net TR EUR
Fund Manager	Aziz Unan (Since January 2015)
Launch Date	7 October 1998 (A)
AuM	EUR 79.4m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	13.4	13.6
(%) Active Share	46.8	
(%) Tracking Error	4.8	
Information Ratio	0.1	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	6.6	7.7
Price to Book	2.0	1.1
Return on Equity	30.3	13.7
Dividend Yield (12 months forward)	4.9	5.3

## Top 10 Holdings

Lukoil	8.7
Sberbank	8.5
Gazprom	5.4
PZU	4.1
PKO	4.1
Norilsk Nickel	3.7
Vakifbank	3.3
Novatek	3.1
Yandex	2.5
Tatneft	2.5

## Market Cap

> 5 Bln	61.4%
1-5 Bln	21.1%
< 1 Bln	14.4%

<sup>1</sup> Cumulative total returns in EUR (A Share Class), net of fees, excluding initial charge. <sup>2</sup> Performance based on total returns in EUR (A Share Class), net of fees, excluding initial charge. <sup>3</sup> Performance based on monthly total returns in EUR (M Share Class), net of fees, excluding initial charge. <sup>4</sup> Performance based on monthly total returns in EUR (M Share Class), net of fees, except 5-Year, 10-Year & since inception (A EUR Share Class). Benchmark index was the MSCI EM Europe Index to December 2008, then MSCI EM Europe 10/40 Net Total Return Index. <sup>5</sup> Table weights shown adjusted for delta exposure, pie chart shows table weights to 100. Past performance is not a guide to future performance. The value of investments may go down as well as up and investors may lose money. SOURCE: Unless otherwise stated, all data sourced from Bloomberg and Northern Trust as at 31.01.2020.

# Mori Eastern European Fund



## Performance

Major stock markets started the new year in a positive mood. However, the news flow regarding the "coronavirus" from China spoiled the party towards the end of the month. In Emerging Europe, Turkey was the only country that closed January in positive territory, while all other market indices closed lower following a strong year-end rally in December. The sell-off was more pronounced in Central European markets, with Hungarian and Polish indices losing 9.1% and 7.3% in euro terms, respectively. The net asset value of Mori Eastern European Fund increased by 0.6% in euro terms (M share class) in January, while the MSCI Emerging Europe 10/40 Total Return Index was down -2.2% on the month.

## Portfolio Activity

Favourable stock selection and having a light exposure in Central European equities played out well in January. Our close followers would recall that the Polish stock market was the worst performing market in 2019 with the WIG20 Index losing some 6% in euro terms. The market came off another 7.3% in euro terms in January. We took the market weakness to add onto our Alior Bank exposure as we continue to believe that the bank's stock is trading at a steep discount to its fair value. We also bought Ten Square Games stock at an attractive discount during an accelerated book building sale.

Russian daily Vedomosti reported that Gazprom's exports in January fell by 25% to 13.3bn cubic meters, while the Company increased its share of the spot market sales to Europe to 16.5% by sacrificing price in order to maintain its market share. A relatively warmer winter combined with accelerated EU buying of gas last year, ahead of negotiations with Ukraine and growth of LNG exports from US, have been putting pressure on export volumes and prices. In view of these, we decided to reduce our exposure to Gazprom last month.

There were reports that the coronavirus outbreak may decrease the Chinese GDP growth by 0.4-0.8pps in 2020, which had a negative impact particularly on global copper prices, as China is the largest consumer of copper in the world. Oil and other industrial commodities followed the downward trend shortly after. We also trimmed our Lukoil and Sberbank positions slightly. Central Bank of Turkey cut its policy one-week repo rate by 75bps to 11.25% at its meeting on January 16<sup>th</sup>. This was in line with the consensus analyst expectation and, indeed, lower than the pricing of one-year swap rates and the 2-year benchmark bond yield, which were indicating a potential rate cut of up to 200 basis points prior to the release of the Central Bank's decision. We locked in profits in TAV Airports as the stock price neared our short-term fair value estimate.

In the Czech Republic, we sold some Moneta Money Bank shares as the stock price was strong following the bank's announcement of a local acquisition. In Greece, we took some money off the table in Gekterna and Jumbo as both companies' stock prices had a stellar run.

## Outlook

We anticipate the markets will continue to be driven by the headline news with regards to the coronavirus epidemic in the very short term. Although we are not experts, statistically it does not seem, so far, to be as dangerous as the SARS virus (in terms of its mortality rate) that broke out some 17 years ago. Hence, while we feel that some investors were looking for an excuse for the market to correct following a strong performance during the last quarter of 2019, prices may rebound quickly if the news flow reverses.

## Contacts

### Investor Relations

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**SOURCE:** Bloomberg as of 31 January 2020, unless stated otherwise. **Past performance is not a guide to future returns.**

## Please Note

For professional investors only  
This investment is not for sale to US persons in the US

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## Fund Facts

Management Fees	1.65% (A), 1.75% (B) 2.0% (AA), 1.25% (C, M)
Performance Fees	Class A: 15% of the NAV per Share increase over the higher of (1) the highest NAV per Share on any preceding Calculation day or (2) the Benchmark NAV (EUR 3 Month LIBOR). Class B: 20% of the outperformance of the NAV per Share to the percentage return of the MSCI EM Europe 10/40 Total Return Index (EUR) (MN40MUE Index) in the period from the preceding Calculation Day – subject to a clawback provision) AA, C and M share classes: no performance fee.
Initial Min. Investment	€, £ 10,000 (B, AA) €, £, \$ 1,000,000 (C, M)
Dealings	Daily
Redemptions	Daily
Dealing Day Cut-Off	10:00am Irish Time
Settlement	T+3 T+4 (GBP share classes)
Redemption Fee	0%
Administrator	Northern Trust Fiduciary Services (Ireland) Limited
Entry Charges	0%

## Launch Date

A EUR	07.10.1998
AA GBP	02.03.2012
B EUR	27.11.2009
C GBP	02.03.2012
M EUR	01.09.2016

## Current NAV

A EUR	567.45
AA GBP	11.03
B EUR	120.36
C GBP	12.97
M EUR	150.46

## Bloomberg Code

A EUR	GRIEEUI ID
AA GBP	RAMEAAG ID
B EUR	GRIEEUB ID
C GBP	RAMEECG ID
M EUR	RAMEEME ID

## ISIN Code

A EUR	IE0002787442
AA GBP	IE00B74GCZ17
B EUR	IE00B53RTW70
C GBP	IE00B762ZY72
M EUR	IE00BD03V952